

Appendix

Statutes of the Copyright and Neighbouring
Collecting Society in the Principality of Andorra

Chapter One. General provisions

Article 1

Legal form and system

1.1. The copyright and neighbouring rights
collecting society in the Principality of Andorra
(hereinafter, SDADV) was incorporated in virtue of
the Law incorporating the SDADV (hereinafter,
Law on the Creation of the SDADV). The SDADV is,
in accordance with the Law on the Creation of the
SDADV, a public-law entity, based on an
association, with its own legal personality and full
capacity to act.

1.2. The SDADV is governed by the provisions of
the Law on the Creation of the SDADV, the Law on
copyright and neighbouring rights of 10 June
1999, and any laws that may complement and/or
substitute it in the future, and the international
agreements on matters ratified by the Principality
of Andorra, as well as by these statutes and its
internal rules, validly passed by its General
Meeting or Administration Board, by prevailing
legislation on matters of finance, accounting and
public procurement, and for any other legal or
regulatory provision that may be applicable.

Article 2

Objectives

2.1. The main objective of the SDADV is to
manage the copyright and neighbouring rights set
out in the Law on copyright and neighbouring
rights, of 10 June 1999, and any other law that
may complement and/or substitute it in the
future, as well as to protect the rights holders.

2.2. The following are also objectives of the
SDADV:

a) To contribute to developing the creation and
promotion of culture and artistic services in
general.

b) To contribute to preserving and spreading the
cultural heritage of the Principality of Andorra

and the works and objects of neighbouring rights
in the catalogue managed by the SDADV, together
with the public bodies and organisations already
in existence which have similar statutory
objectives.

c) To develop activities and support services on
behalf of its members.

d) To study and research copyright and
neighbouring rights and spread knowledge and
information about these matters.

e) To develop activities to promote social
awareness about the importance of respecting
copyright and neighbouring rights.

f) To collaborate with foreign management
entities on appropriate rights management,
always respecting the principle of proportionate
and reasonable balance between works from
Andorra and those from abroad.

g) To collaborate with any other national or
supranational organisation related to the
collective management and protection of
copyright and neighbouring rights.

Article 3

Duties

To achieve its objectives, the SDADV carries out
the following duties:

a) Granting permission to third parties to carry
out acts protected by the exclusive usage or
economic rights managed by the SDADV. In
carrying out this activity, the SDADV may sign
general contracts with users associations
representing each sector.

b) Collecting fees for the permissions mentioned
in section a) above and equitable remuneration
or simple remuneration in cases in which
prevailing legislation on matters of copyright and
neighbouring rights provides for this type of
remuneration.

c) Distributing the amounts collected from the
users by the SDADV among the authors and the
other copyright and neighbouring rights holders
concerned.

d) Undertaking any necessary legal action to
defend and execute the rights it manages.

e) Setting up a register of works subject to copyright and neighbouring rights managed by the SDADV, also referring to the authors and other holders of rights relating to them, and issuing certificates of ownership for the purpose of continuity.

f) Carrying out any other act authorised, in accordance with article 36 of the Law on copyright and neighbouring rights, of 10 June 1999, by the authors and holders of copyright and neighbouring rights, or their representatives, for whom usage and economic rights or the right to equitable remuneration or simple remuneration are managed.

g) Carrying out any other task appropriate to fulfilling its objectives, which does not contravene prevailing legislation or these statutes.

Article 4

Duration

The duration of the SDADV is unlimited.

Article 5

Registered office

5.1. The Government fixes the initial registered office of the SDADV in the Principality of Andorra.

5.2. The Administration Board can resolve to change the SDADV's registered office to any other place inside the Principality of Andorra, subject to prior authorisation by the Government.

Article 6

Scope of action

6.1. The SDADV carries out its activities inside the Principality of Andorra.

6.2. The SDADV can also extend its activities abroad, whether through agreements with national or supranational organisations with similar ends to its own, or through its own agents, delegates or representatives.

Chapter Two. Members

Article 7

Members

7.1. Natural and legal persons, of Andorran or

foreign nationality, legally resident or not in the Principality of Andorra, are members of the SDADV, when they present proof of being the original or derivative copyright and/or neighbouring rights holders, and have a valid, signed contract with the SDADV for the management of all or some of these rights. In any case, holders of rights acquired inter vivos or by inheritance may be members of the SDADV. Proof of ownership of copyright and/or neighbouring rights can be made by presenting the documentation set out in the internal rules for that purpose. Members of the SDADV and their rights may be represented before the SDADV and its bodies by the natural or legal third party persons they appoint, whether of Andorran or foreign nationality, legally resident or not in the Principality of Andorra. The powers of representation must be granted in writing and comply with the requirements laid down in the internal rules for that purpose.

7.2. The Administration Board resolves whether to admit or remove members of the SDADV and can fix admission fees to be charged to incoming members.

Article 8

Members' groups

8.1. Each member of the SDADV forms part of one or more of the following groups, based on the different groups of right holders acknowledged by the Law on copyright and neighbouring rights, of 10 June 1999, for the purposes of the SDADV managing their corresponding rights:

- a) Literary works copyright holders.
- b) Musical works copyright holders.
- c) Visual arts copyright holders.
- d) Copyright holders over works created for stage productions.
- e) Copyright holders over audiovisual works and recordings including, in all cases, audiovisual producers.
- f) Holders of performing artists rights.
- g) Holders of phonogram producer rights.
- h) Holders of the rights of broadcasting organisations and organisations transmitting their own programmes by wire.
- i) Holders of publishing rights over previously unpublished works.
- j) Holders of copyright over other kinds of works

acknowledged by the Law on copyright and neighbouring rights, of 10 June 1999.

8.2. Holders of rights acquired inter vivos or by inheritance are included in the group to which the transferor belongs through ownership of the transferred right.

Article 9

Members' rights and duties

9.1. Members have the following rights:

- a) The right to participate in the General Meeting, as a full member, in accordance with the provisions of article 10 of these statutes.
- b) The right to vote, actively and passively, for the appointment of representatives of the members of the Administration Board.
- c) The right to be informed about the composition of the SDADV's governing and representative bodies, the state of their accounts and performance of their activities.
- d) The right to receive, on prior request to the Administration Board, a copy of the annual accounts, general fees, agreements signed by the SDADV with users' associations and the distribution of amounts collected from users by the SDADV.
- e) Any other right deriving from these articles or applicable legal provisions.

9.2. Members have the following duties:

- a) Not to grant transfers, licences or permissions of any kind for any rights the management of which has been entrusted to the SDADV in virtue of the management contract, or mandatory collective management rights, nor grant powers of management over those rights to any third party.
- b) Not to carry out any act that could damage the SDADV's public image or interests.
- c) To fulfil the provisions of these articles and the internal rules validly passed by the SDADV's bodies and prevailing legislation on copyright and neighbouring rights.

Article 10

Voting rights

Every member has one vote at the General Meeting, without prejudice to what will be laid down in the internal rules on the necessary mechanisms to eliminate incompatibilities between members of the SDADV during voting and to guarantee free management of users' influences over the repertoire managed by the SDADV.

Article 11

Loss of member status

Member status is lost:

- a) Through death or declaration of death, in the case of a natural person.
- b) By dissolution, in the case of a legal entity.
- c) By withdrawal, resignation or voluntary de-registration.
- d) Through loss or expiry of all rights that the member has entrusted to the SDADV's management.
- e) Through cancellation or expiry of the management contract.
- f) Through exclusion, validly agreed by the Administration Board.

Article 12

Sanctioning members

12.1 Any member who fails to fulfil the obligations set out in section 2) of article 9 of these articles may be sanctioned with one of the following:

- a) Warning.
- b) Fine of up to 1,200 euros.
- c) Suspension of the rights to attend general meetings and vote, actively or passively, to appoint the members of the Administration Board, for a period no longer than two years.
- d) Exclusion.

The Administration Board sets the criteria on which it will decide which of the above sanctions is applicable to each case of non-fulfilment.

12.2 The imposition of sanctions set out in this article can only be validly resolved in accordance with the provisions of article 13 of these articles.

12.3 The sanctions regulated in this article are independent to those which may be required in accordance with the clauses in the management contract, through non-fulfilment of the obligations set out therein. Nevertheless, cancellation of the management contract for any reason involves the automatic loss of member status.

Article 13 ***Sanctions procedure***

To impose sanctions on members, proceedings must be instigated which are carried out as follows:

a) Proceedings are instigated on the basis of the resolution by the Administration Board. In the resolution instigating proceedings, an investigator and a secretary are appointed from among the members of the Administration Board. The resolution is notified to the person under investigation by a reliable means.

b) The investigator orders all evidence and proceedings to be carried out that he considers appropriate to clarifying the facts.

c) According to the result of these proceedings, the investigator formulates a list of charges in which he explains the charges and the accused is notified by a reliable means; he is also granted a term of ten working days to answer in writing.

d) Once the list of charges has been answered or the term to do so has passed, the investigator presents a proposal to the Administration Board for resolution, which is notified to the accused by a reliable means, and he is granted a term of fifteen working days to make any pleas he considers appropriate in writing.

e) Once the term stated in section d) above has passed, the investigator sends the proceedings to the Administration Board for resolution. This resolution, which must be justified, is also

notified to the accused by a reliable means.

f) The sanctioned member may lodge an appeal against the resolution of the Administration Board with the General Meeting, which will pass a final resolution at its next meeting, for or against the sanction.

Chapter Three. The SDADV's bodies

Article 14 ***Bodies***

The SDADV's bodies are:

a) The General Meeting.

b) The Administration Board.

c) The chairman and vice-chairman.

d) The secretary and, if the Administration Board considers appropriate, the vice-secretary.

e) The director, if the Administration Board considers one necessary.

f) The other bodies which the Administration Board creates to carry out delegated powers or advisory duties.

Article 15 ***General Meeting***

15.1 The General Meeting is the body that represents all of the SDADV's members.

15.2 Responsibilities. The General Meeting's responsibilities are as follows:

a) To approve the annual accounts, proposed by the Administration Board, in accordance with the provisions of prevailing legislation on matters of finance and public accounting.

b) To approve the projected budgets for each financial year, proposed by the Administration Board, in accordance with the provisions of prevailing legislation on matters of public finance.

c) To approve the internal rules proposed by the Administration Board, to develop members' rights and obligations and any other aspect of the SDADV's operation, with the exception of

approving the internal rules relating to methods and rules for distributing quotas and equitable remuneration or simple remuneration, i.e. the amounts collected from users by the SDADV, and other important aspects of collective management which, according to article 36 of the Law on copyright and neighbouring rights, of 10 June 1999, are the exclusive responsibility of the Administration Board. Also excepting the approval of the internal rules relating to setting up a register of works subject to copyright and neighbouring rights managed by the SDADV, which also refers to the authors and other holders of rights relating to them, and the issuance of ownership certificates for the purpose of continuity, also the exclusive responsibility of the Administration Board.

d) To approve the SDADV's tariffs proposed by the Administration Board.

e) To approve amendments to these articles proposed by the Administration Board, which, subsequent must be perforce submitted for approval from the General Council, in accordance with the provisions of prevailing legislation on matters of public finance.

f) To appoint and dismiss representatives of members of the SDADV on the Administration Board.

g) To confirm sanctions against members of the SDADV set out by the Administration Board.

h) Any other matter laid down by prevailing legislation and/or these articles.

Composition. The General Meeting consists of all the members of the SDADV.

15.3 Representation. Members of the SDADV can attend the General Meeting in person, if they are natural persons or, whether natural or legal persons, represented by the natural or legal third party persons they appoint, whether of Andorran or foreign nationality, legally resident or not in the Principality of Andorra. Members can also be represented by other members. Representation must be granted in writing and according to the requirements of the internal rules for that purpose.

15.4 Summoning meetings. Sessions of the

General Meetings are summoned by its chairman. The summons must be published in the Official Gazette of the Principality of Andorra (BOPA) and in at least two widely-circulated newspapers in the Principality of Andorra at least one month before the date it is to be held. Members will also be informed of the summons in writing, email being a valid means of communication. The agenda must appear in the summons.

15.5 Number of meetings. The chairman summons the General Meeting at least once a year, in the first half, to pass the annual accounts. The chairman also summons the General Meeting whenever the Administration Board resolves or it is requested by members holding at least twenty per cent of voting rights at the General Meeting.

15.6 Quorum and progress of meetings

The General Meeting will be validly constituted, to decide on items on the agenda, at first summons, when at least half of the members are present, in person or represented, and at second summons, however many are present. Between the first and second summons at least one hour should pass. Sessions of the General Meeting are chaired by the chairman of the Administration Board or, in his absence, by the vice-chairman of the Administration Board or, if both are absent, by the most elderly member of the Administration Board. Whoever is secretary of the Administration Board will be the secretary or, in his absence, the vice-secretary, if one is appointed, or in his absence the member of the Administration Board chosen by the General Meeting.

15.7 Passing resolutions. Resolutions of the General Meeting are passed by a majority of validly cast votes, except on matters for which the articles require a different majority. In the case of a draw, the chairman has the casting vote.

15.8 Resolution to appoint members of the Administration Board. The resolution to appoint members of the Administration Board representing each group of members is passed within the corresponding group by a majority of votes cast by the members of the group.

15.9 Resolutions subject to a qualified majority. Resolutions relating to amendments of these articles require, for approval, a majority of two

thirds of the votes validly cast at the General Meeting. These amendments, after being passed by the General Meeting, must be submitted to the General Council for approval.

15.10 *Government representatives.* Government representatives who are members of the Administration Board according to the provisions of the following article can attend sessions of the General Meeting to debate but not to vote.

Article 16

The Administration Board

16.1 The Administration Board is the SDADV's governing and representative body.

16.2 *Responsibilities.* The Administration Board is responsible for all the SDADV's management matters, managing its assets, disposing of its property and rights and representing it when this is not reserved for the General Meeting by the Law on the creation of the SDADV or these articles. Specifically, the Administration Board has the following responsibilities:

a) Preparing and presenting to the General Meeting, for approval, the annual accounts of the SDADV, in accordance with the provisions of prevailing legislation on matters of finance and public accounting.

b) Preparing and presenting to the General Meeting, for its approval, the projected budgets for the SDADV for each laid down financial year, in accordance with the provisions of prevailing legislation on matters of public finance.

c) Preparing and approving the internal rules relating to the methods and rules for the distribution of quotas and equitable remuneration or simple remuneration, i.e. of the amounts collected by the SDADV from users, and on other matters of collective management which, according to article 36 of the Law on copyright and neighbouring rights, of 10 June 1999, are the exclusive responsibility of the Administration Board.

d) Preparing and approving the internal rules relating to setting up a register of works subject to copyright and neighbouring rights managed by the SDADV, which should also refer to the authors

and other holders of rights relating to them, and the issuance of certificates of ownership for the purpose of continuity.

e) Preparing and presenting to the General Meeting, for approval, the internal rules different from those mentioned in the last two sections.

f) Fixing and presenting the tariffs of the SDADV to the General Meeting, for approval.

g) Fixing and approving members' quotas and management fees or others for the SDADV.

h) Approving the models for management contracts and other types, which members of the SDADV have to sign.

i) Approving models of general contracts with users associations.

j) Approving all manner of resolutions, including those of reciprocal representation for representing repertoires in the Principality of Andorra, and logistical support on a national and/or international level, with entities and organizations with similar objectives to its own, whether national or supranational.

k) Appointing and dismissing the Administration Board director of the SDADV, if the Administration Board considers it appropriate to have this body.

l) Appointing and dismissing the chairman, vice-chairman, secretary and, if necessary, the vice-secretary of the SDADV.

m) Contracting personnel, works, supplies and provision of services relating to the SDADV, in any case, observing the provisions of prevailing legislation on matters of finance and public procurement.

n) Resolving to admit or de-register members of the SDADV.

o) Preparing and proposing to the General Meeting, for its approval, amendments of these articles, which must then be submitted for approval to the General Council, in accordance with the provisions of prevailing legislation on matters of public finance.

p) Managing the SDADV, setting the directives

and control of financial investments, managing its assets, and disposing of its property and rights, whenever this is not reserved for the General Meeting by the Law on the Creation of the SDADV or these articles, and with respect to the provisions of prevailing legislation on matters of public finance and under the guidance and supervision of specific acts by the Government according to the provisions of the Law on the Creation of the SDADV.

q) Carrying out all manner of acts and signing all manner of contracts relating to the management, acquisition, transfer or encumbrance of any of the SDADV's property or rights, including asking for loans or credit, opening current accounts and providing guarantees, always in accordance with the provisions of prevailing legislation on matters of public finance and under the guidance and supervision of specific acts by the Government according to the provisions of the Law on the Creation of the SDADV.

r) Carrying out, to the broadest extent, the legal representation of the SDADV, in or out of court, and granting powers to third parties, including court representatives and lawyers.

s) Appointing and dismissing the SDADV's legal representatives and attorneys, with the powers granted by resolution, including cases in which the SDADV acquires contracts with natural or legal persons to give logistical support to administering and managing rights.

t) In general, carrying out all manner of acts or legal transactions which, in its opinion, are necessary or appropriate for carrying out the SDADV's objectives, as long as these are not contrary to the applicable legal system.

u) Exercising any other power entrusted to it by the General Meeting.

v) Deciding on any other matter entrusted to it in prevailing legislation and/or these articles.

16.3 Composition. The Administration Board consists of:

a) One member of each of the members groups, appointed according to the provisions of article 4 of this article. In any case, on the Administration Board there must be a minimum representation

of two directors of Andorran nationality or with legal residence in the Principality of Andorra.

b) Two persons appointed by the Government.

16.4 Appointing directors - members of the SDADV. The representatives of members of the SDADV on the Administration Board are appointed within each member group, in accordance with the provisions of section 8) of article 15 of these articles, among the members of the group presenting themselves for election at the General Meeting which must decide on their appointment. If, in the ballots that are carried out, the two directors of Andorran nationality or legal residence in the Principality of Andorra referred to under a) in section 3 of this article are not appointed, they will be appointed additionally within the member groups, by rotation of the member groups for each mandate of the Administration Board, and by a majority of votes issued by members of the groups concerned.

16.5 Representation of directors - members of the SDADV. The office of director member of the SDADV is personal, so those members of the SDADV who have been chosen directors that hold the form of a legal entity must appoint a single representative from among them to the Administration Board, who may be of Andorran or foreign nationality, legally resident or not in the Principality of Andorra. The representation must be granted in writing and comply with the requirements set out in the internal rules for that purpose.

16.6 Term of office. Members of the Administration Board hold office for a period of two years. At the end of the period for which they were appointed, members of the Administration Board remain in office until the next General Meeting is held. Members of the Administration Board can be re-elected indefinitely. The members appointed by the Government remain in office indefinitely until they are dismissed by the same body that appointed them.

16.7 Appointment of officers on the Administration Board. The Administration Board appoints from within a chairman and vice-chairman, who will be the same for the General Meeting and the SDADV. The Administration Board also appoints a secretary and if it considers appropriate a vice-secretary, who may be non-

directors, in which case they will attend meetings of the Administration Board with the right to debate but not to vote.

16.8 *Summoning meetings.* Meetings of the Administration Board are summoned by their chairman, through a written communication to all directors, at least fifteen days before the date of the meeting. The meeting's agenda must appear in the summons.

16.9 *Quorum.* The Administration Board will be validly constituted when at least half of its members who validly hold office are present, as long as the summons has been duly notified to all absent members.

16.9 *Universal constitution* The Administration Board will also be validly constituted when all its members meet, even if they were not summoned for this purpose, and agree to give this meeting the status of Administration Board and an agenda.

16.10 *Passing resolutions.* The resolutions of the Administration Board are passed by a majority of validly issued votes.

16.11 *Resolutions subject to qualified majorities.*

16.11.1 Resolutions relating to the following matters require, for approval, a majority of two thirds of the votes validly issued on the Administration Board:

a) Amendments of these articles, which must then be submitted for approval by both the General Meeting and the General Council.

b) Appointing and dismissing the director of the SDADV, if necessary.

16.11.2 For resolutions about the SDADV's tariffs, the Administration Board chooses by the majority of validly issued votes, needing in any case the favourable vote of the Government representatives, the contrasted methodology directives in the sector of collective management of copyright and neighbouring rights which will be used to determine the SDADV's tariffs, which in any case must take into account the business structure and economic reality of the Principality of Andorra, as well as the experts on valuing copyright and neighbouring rights who will be in

charge of fixing the said tariffs. Once the said experts have presented their proposal for tariffs to the Administration Board, the Government will have a maximum of two months to examine them and, if it thinks they are incorrect for any reason, will give its motives and make any alternative proposals it considers suitable. Once the above procedure is completed, the Administration Board will pass a resolution on the SDADV's tariffs, by the majority of cast votes, which must in any case include the favourable vote of the Government representatives.

16.11.3 Resolutions relating to deductions from the amounts collected by the SDADV for management and collection fees and other fees referred to in these articles, and also amounts allocated to covering the SDADV's reserves, are passed by the majority of validly cast votes, which must in any case include the favourable vote of the Government representatives.

16.11.4 Approval of the internal rules relating to the methods and rules for distribution of quotas and equitable or simple remuneration, i.e. the amounts collected by the SDADV from users, and on other aspects of collective management which, according to article 36 of the Law on copyright and neighbouring rights, of 10 June 1999, are the exclusive responsibility of the Administration Board, requires, in order to be passed, the majority of validly cast votes, and must in any case have the favourable vote of the Government representatives.

Article 17

Chairman and vice-chairman

17.1 *Responsibilities.* The chairman is responsible for:

a) Representing the SDADV in and out of court, whenever the Administration Board has not granted this power to another of its members.

b) Summoning sessions of the General Meeting and the Administration Board and setting the agenda for them.

c) Chairing the sessions of the General Meeting and the Administration Board and directing and moderating the progress of the debates, submitting resolutions to debate and announcing the result of the voting.

d) Endorsing the minutes and certificates of the resolutions of the General Meeting and the Administration Board signed by the secretary.

e) Ensuring that the resolutions passed by the General Meeting and the Administration Board are correctly carried out.

f) Ensuring compliance with prevailing legislation and these articles.

g) Any other responsibility legally or statutorily attributed to him.

17.2 Duties of the vice-chairman. If the office of chairman is vacant, he is absent or ill, his duties will be assumed by the vice-chairman.

17.3 Nationality and residence requirements. If the president and vice-president are natural persons, they must be Andorran nationals or legally resident in Andorra. If they are legal entities, they must be incorporated according to Andorran legislation and the natural persons representing them on the Administration Board of the SDADV must be Andorran nationals or legal residents in the Principality of Andorra.

Article 18

Secretary and vice-secretary

18.1 The secretary is responsible for:

a) Attending the sessions of the General Meeting and the Administration Board.

b) Keeping the SDADV's documentation and duly recording the progress of meetings in the minute books of the General Meeting and Administration Board.

c) Issuing certificates to be countersigned by the chairman, with respect to the resolutions passed at the General Meeting and the Administration Board.

d) All other duties inherent to the status of secretary or entrusted to him by the Administration Board.

18.2 The Administration Board can appoint a vice-secretary, who assumes the duties of secretary if the office is vacant or he is absent or ill.

Article 19

Delegation of the Administration Board 's responsibilities

19.1 In order to facilitate carrying out its duties, the Administration Board can delegate specific duties to one or more of its counsellors, or to one or several counsellors' delegate committees, temporarily or permanently.

19.2 The Administration Board sets out the duties, powers and term for which the delegate bodies can exercise them, and also how they operate, in the case of delegate committees.

Article 20

Director

20.1 The director of the SDADV, who is appointed, if necessary, and dismissed by the Administration Board according to these articles, carries out the resolutions of the General Meeting and the Administration Board under the directions and supervision of the chairman of those bodies, and carries out any other duty entrusted to it by those bodies.

20.2 The director attends the sessions of the Administration Board and the General Meeting whenever instructed by the chairman. Under those circumstances, the director will have the right to debate but not to vote.

20.3 In periods when the Administration Board decides not to have a director for the SDADV, his duties will be carried out by the Administration Board in coordination with the SDADV's staff.

Article 21

Advisory councils

21.1 The Administration Board may, at any time, create one or more advisory councils to study and prepare reports on technical matters.

21.2 The advisory councils are chaired by a councillor, and the other members may be experts summoned for this purpose by the SDADV, including representatives of national, foreign or supranational associations and entities, representatives of cultural, artistic and economic sectors forming part of the SDADV's members,

and representatives of foreign or supranational entities similar to the SDADV. Each advisory council appoints a secretary, who will draw up the minutes of their meetings.

Chapter four. Tariffs and the system of distributing the amounts collected by the SDADV

Article 22 ***Tariffs***

The SDADV's tariffs are fixed by the Administration Board and approved by the General Meeting, as set out in these articles.

Article 23 ***Rules for distributing collected amounts***

23.1 Distribution of the amounts collected from users by the SDADV is carried out among the holders of the used rights in accordance with a system decided by the Administration Board which avoids arbitrariness and ensures that the holders have a share of the revenue proportionate to the use of their rights made by the users of the repertoire of works subject to copyright and neighbouring rights represented by the SDADV.

23.2 From the amounts collected by the SDADV in carrying out its collective rights management duties, are deducted:

a) The legally established amounts and those which are allocated, statutorily or by a resolution of the Administration Board, by vote to the following activities:

- The contribution to developing the creation and promotion of culture and artistic services in general.
- The contribution to preserving and spreading the cultural heritage of the Principality of Andorra, together with and in coordination with other entities with this objective, and the works and objects of neighbouring rights in the catalogue managed by the SDADV.
- The development of activities and support services on behalf of its members.
- The study and research of copyright and neighbouring rights, and spreading knowledge and information about these matters.
- The development of activities to promote social awareness about the importance of respecting

copyright and neighbouring rights.

b) The management and collection fees fixed by the Administration Board, destined to compensate the costs deriving from rights management carried out by the SDADV.

c) The amounts destined to cover the reserves fixed by the Administration Board.

23.3 The Administration Board can fix special management and collection fees for rights management abroad.

23.4 The Administration Board can fix supplementary management and collection fees for rights management in cases where the owner has specified limits to the material or geographical scope of the management mandate in the management contract.

23.5 The total result, once the amounts described in sections 2), 3) and 4) above have been deducted from the collected amount, is distributed among the rights holders according to the system decided by the Administration Board.

23.6 Where operational methods do not enable one to determine individually or exactly the use made of a work subject to neighbouring rights, the Administration Board must set out a procedure to enable equitable distribution based on statistical or sampling criteria.

23.7 The SDADV informs the rights holders, at each settlement or distribution it makes, of the guidelines for the applied distribution criteria.

23.8 The terms and procedures for payment to rights holders are determined by the Administration Board.

Chapter five. Economic resources and economic and financial control

Article 24 ***Economic resources and economic and financial control***

The economic resources of the SDADV consist of:

a) Members admission fees fixed, if necessary, by the Administration Board.

b) Collection and management fees, destined for compensating the costs resulting from charging for rights.

c) Income from the SDADV's financial investments and assets.

d) Capital gains obtained from disposing of assets related to the SDADV's management.

e) The amounts obtained from donations, bequests or gratuities which the SDADV may be asked to acquire.

f) Compensation and grants which the SDADV may be entitled to in its management.

g) The amounts to be distributed to the holders of rights managed by the SDADV who are not SDADV members, whenever these are not claimed within three years from becoming available.

Article 25

Financial year

The financial year coincides with the calendar year.

Article 26

Annual accounts

The SDADV's accounts are kept in accordance with the provisions of prevailing legislation on matters of finance and public accounts.

Article 27

Economic and financial control

27.1 The General Meeting appoints an auditor, without prejudice to the possibility of other auditors being appointed according to prevailing legislation on matters of public finance.

27.2 Members who represent more than ten per cent of those present or represented at the General Meeting have the right to appoint an auditor, and the corresponding costs are charged to these members.

27.3 The auditor appointed by the General Meeting and, if necessary, the auditor appointed by the minority mentioned in the last paragraph, verify the exact situation of the SDADV's finances and assets set out in the annual accounts, and

give their relevant opinion.

Final provision. Amendment of the articles

Any amendment to these articles, passed by the General Meeting by the statutorily required majority, must also be submitted for approval by the General Council, in accordance with the provisions of prevailing legislation on matters of public finance in the Principality of Andorra. Without this approval, the amendment of the articles will void.

